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Supporting the transformation towards sustainable and resilient societies by enhancing and equipping institutions: changes required in institutions and public administration at all levels to foster the transformation of societies required under the 2030 Agenda in urban and rural communities

Institutional transformation to strengthen the well-being of rural and urban communities: the case of Malaysia

Note by the Secretariat

The Secretariat has the honour to transmit to the Committee of Experts on Public Administration the paper prepared by Committee member Ali Hamsa for its consideration and action, as appropriate.

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Summary

The present paper explores the issue of transforming institutions to strengthen the well-being of rural and urban communities from the perspective of Malaysia. It highlights how transforming institutions and public administration at all levels is critical to promote societal transformation in pursuit of sustainable development. The paper recalls the importance of embedding inclusiveness in all stages of policymaking. It also highlights that creativity and innovation are essential to finding ways to optimize the use of resources to deliver public services and ensure that no one is left behind.

A people-centric approach to public service delivery is considered paramount to enhancing effectiveness, efficiency, productivity and equity in public service delivery. The ongoing commitment of government leaders is also seen as crucial for realizing the country's long-term objectives and achieving the Sustainable Development Goals. Innovative models of service delivery, integrated solutions developed to better meet the needs of the people and an effective and responsive public service are instrumental for the social and economic development of a country and the well-being of urban and rural communities.

The author suggests that the experience of Malaysia offers pragmatic lessons and policy insights that may be of relevance to other countries, in particular developing countries, in their pursuit of the Sustainable Development Goals.

I. Introduction

1. The 2030 Agenda for Sustainable Development embodies a universal, integrated and transformative vision for people, planet and prosperity with the overarching aim of eradicating poverty in all its forms and dimensions. Many countries are in the process of identifying and updating policies, strategies, institutions and arrangements for implementation of the Sustainable Development Goals. Fostering the transformation of societies required by the 2030 Agenda is not straightforward, however, and presents enormous challenges for institutions at all levels.

2. Important global and national trends — rapid urbanization, migration, competing demands for water, energy and land, advances in science and technology, and increasingly interdependent financial systems and trade — present substantial impacts, opportunities and risks that are not always well understood. Institutions also grapple with the complexities of integrated policymaking, balancing the needs of urban and rural communities and ensuring that no one is left behind, often in a context of constrained resources and limited national capacity to implement the Sustainable Development Goals.

3. The transformation of institutions to match the transformation of societies that is envisaged by the 2030 Agenda calls for creative approaches. Changes in institutions at all levels will be essential, acknowledging that development is a long-term proposition that requires a sustained effort on the part of institutions over many years and a commitment to putting people at the centre of development.

4. Recognizing that the ongoing exchange of lessons learned on this topic can yield valuable insights, the present paper comprises a case study of institutional transformation from the Malaysian perspective, with a focus on urban and rural development. Its aim is to help identify government actions that could be relevant to other countries wishing to explore further institutional reforms to foster the transformation of societies required by the 2030 Agenda, bearing in mind that the specific contexts and situations of countries differ widely.

II. Anchoring development in people: Malaysian development policy, 1971–2016

5. Sustainable development has been at the heart of Malaysia's development approach since the 1970s, with an emphasis on eradicating poverty, improving the well-being of the people, providing universal access to education and caring for the environment. The approach is not a new pathway to sustainable development. Rather, it is a process that has been in motion for decades with the objective of raising living standards and improving quality of life for all. Formerly a low-income economy, the country is now classified as upper-middle income, made possible by an average economic growth of 6.2 per cent per year between 1971 and 2016 and a shift from a commodities-based to a diversified industrialized economy.

6. Malaysia has further promoted a "digital innovation ecosystem" and investment in endogenous technology since the 1990s, including through the current national digital policy.

7. The country continues to build on these foundations to exploit technology to strengthen its trade competitiveness. A "digital free trade zone" has been established to facilitate cross-border trade and e-commerce and connect urban and rural

communities to international markets. The national digital policy is being implemented to support the digital transformation.

8. Economic growth was pursued during this period in tandem with a policy of social inclusion. The country has a national poverty rate of less than 1 per cent, absolute poverty has been substantially eliminated, and access to basic amenities and services such as education and health care have been made nearly universal.[1]

9. Over the same period, the population increased nearly threefold, from 11 million to approximately 31 million, with some 75 per cent of the population now living in urban areas. Looking ahead and with a view to further strengthening inclusion, the New Urban Agenda is used as a basis to promote sustainable urban development. Various initiatives to promote healthy and active ageing are also being undertaken. Moreover, green growth is being championed locally, regionally and internationally. Within the context of the United Nations Framework Convention on Climate Change, for example, the country aims to reduce the greenhouse gas emissions intensity of its gross domestic product by 45 per cent by 2030 relative to the emissions intensity of its gross domestic product in 2005.[2]

10. The country's New Economic Policy, formulated in 1971, was focused on the principle of growth with equity on the basis of a two-pronged strategy of poverty eradication and social restructuring, with the aim of promoting equitable development across all regions.[3] Vision 2020, launched in 1991, was based on the aspiration that the country would reach levels of development comparable to high-income countries. This was followed by a plan called the New Economic Model in 2010, which furthered the commitment to pursuing development with the key goals of achieving high income, inclusivity and sustainability.[4]

11. Sustainable development has been central to the country's model for development since the 1970s and has been reflected in national development strategies through successive five-year plans.

12. Malaysia has been consistently executing these plans, which translate a long-term framework for development into policies, strategies, programmes and projects. The eleventh such plan, launched in 2016, is built around the theme of "anchoring growth on people". The eleventh plan incorporates the Sustainable Development Goals, emphasizes that people are the centre of all development efforts, and promotes development that "leaves no one behind".[5]

13. Throughout this period, the resilience of the country's economic model has been enabled, despite periodic financial shocks, by prudent macroeconomic management and transformation of the public sector. The country has adopted pragmatic and comprehensive development plans, recognized inclusivity as critical for sustaining long-term prosperity and unity, and improved service delivery through collaborative

[1] See Malaysia, Prime Minister's Department, Economic Planning Unit, "The Malaysian economy in figures, 2016". Available from www.epu.gov.my/sites/default/files/MEIF%202016.pdf.

[2] Consists of 35 per cent on an unconditional basis and a further 10 per cent conditional upon receipt of climate finance, technology transfer and capacity-building support from developed countries.

[3] Malaysia, Prime Minister's Department, Economic Planning Unit, *Economic Planning Unit: 50 Years of Charting Malaysia's Development* (Putrajaya, 2007).

[4] Malaysia, National Economic Advisory Council, *New Economic Model for Malaysia: Part 1* (Putrajaya, 2009). Available from http://www.epu.gov.my/sites/default/files/nem.pdf.

[5] Malaysia, Prime Minister's Department, Economic Planning Unit, *Eleventh Malaysia Plan: 2016–2020* (Kuala Lumpur, Percetakan Nasional Malaysia Berhad, 2015). Available from www.epu.gov.my/en/rmk/eleventh-malaysia-plan-2016-2020.

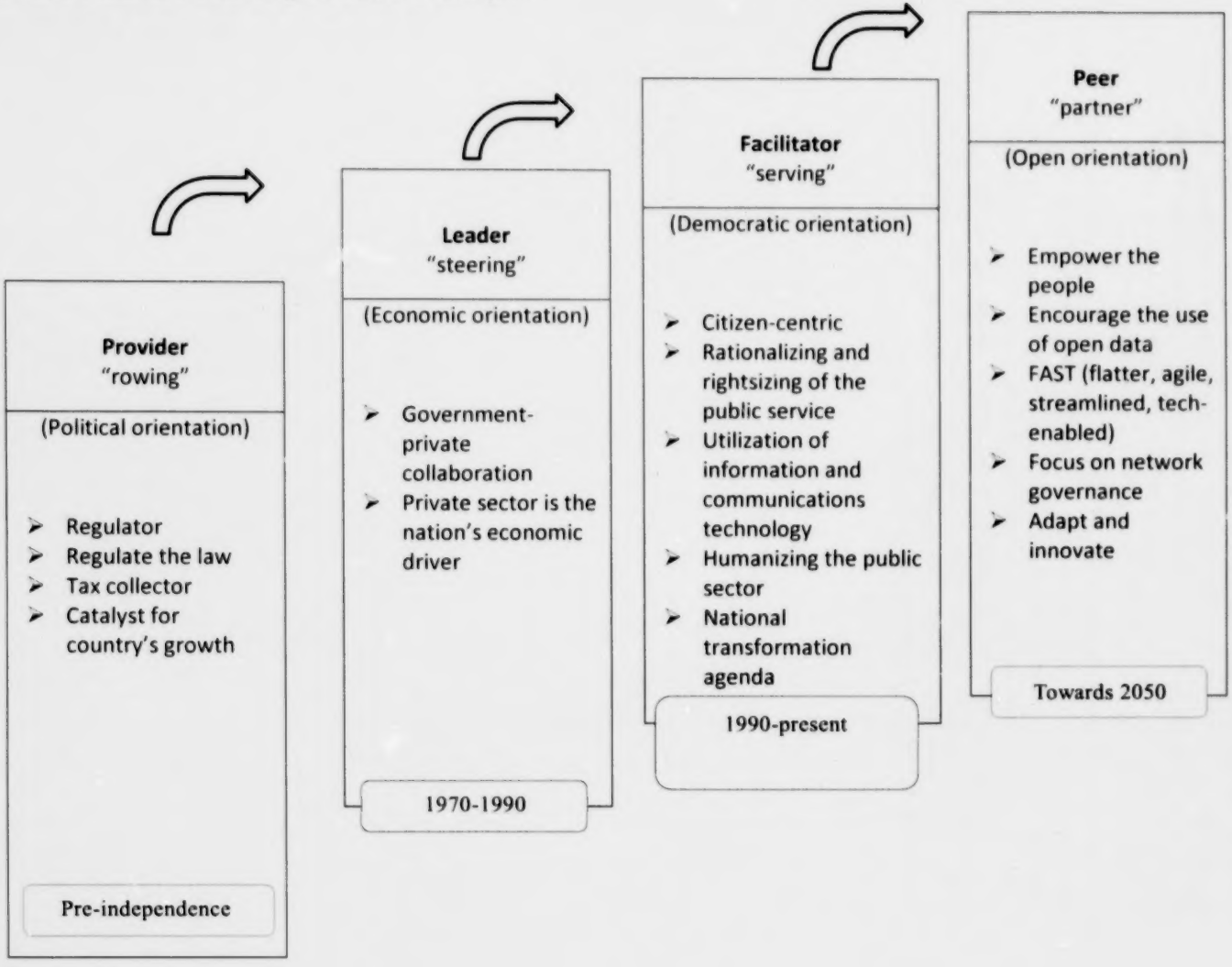
partnerships with the private sector, non-governmental organizations and civil society.

III. Institutional transformation in Malaysia

14. The efficiency of public service delivery can have a significant bearing on economic competitiveness and growth. To this end, Malaysia has embarked on various approaches to enhance the quality of its service delivery system with a focus on creating a people-centric Government and improving the efficiency and productivity of the public sector. Promotion of participatory governance has been an ongoing feature of these efforts, among others, to better understand people's preferences and engage them as partners in service design and delivery.

15. In the process, the Government moved from implementation based on politically defined objectives ("rowing") to serving as a catalyst to unleash market forces ("steering"), and more recently to negotiating and brokering interests among people ("serving"). In the years ahead, the intention is that the Government will be seen increasingly as a "partner" with the people in public service design and delivery. Such a transformation calls for civil servants to be agile and responsive to adapt to changing circumstances and remain relevant over time. The transformation of the role of government in Malaysia is summarized in the figure below.

Transformation of the role of government in Malaysia[b]



[b] Adopted from Najib Razak, "Falsafah Asas TN50" (Shah Alam, 2017), p. 41.

16. These institutional reforms, undertaken over many years, have enabled the Government to improve public service delivery, nurture a "future-ready" civil service, increase productivity and expand economic growth. The ability to overcome resistance and ensure the success of the transformation was determined by five critical factors:

- Leadership commitment to inclusive policies with a focus on implementation
- Citizen centricity in public service delivery
- Partnership and participative governance
- Alternative financing models
- Competent and committed civil servants.

17. Each of these factors is described more fully below.

A. Leadership commitment to inclusive policies with a focus on implementation

Consistency in policy and planning in the long term

18. Leadership commitment to realizing the social and economic aspirations of the country has been crucial. It is vital to have leaders who can envision the country's needs, inspire civil servants to think strategically and emphasize the importance of balancing social and economic imperatives. These objectives have been supported in Malaysia by the country's long-term development plans, which have provided stability and continuity in public policies as well as a commitment to ensuring sustainable economic growth and addressing prevailing needs. The plans have also served as a useful reference and guide to executing programmes and projects that are in the public interest.

19. At the time of independence in 1957, the political leadership took a laissez-faire approach to the economy, promoting relatively unregulated economic growth on the assumption that wealth would trickle down to the lower-income segments of the population. Instead, a wide disparity in the distribution of wealth led to civil unrest in the form of riots in 1969. In response, the Government adopted the New Economic Policy in 1971 to foster national unity by promoting growth with equity through a two-pronged approach of eradicating poverty and restructuring society.

20. Since the introduction of the New Economic Policy, there has been consistent leadership commitment towards the principle of growth with equity. This reflects a pragmatic approach that seeks to address economic inequality not through expropriation but by ensuring that any new wealth that is generated as a result of economic growth is distributed equitably. The attention to inclusiveness continued after the implementation of the policy, including in Vision 2020, which was to transform the country into a developed nation over a 30-year period from 1991 to 2020. Consistency in inclusive policies was further reinforced with the launch of the New Economic Model in 2010.

Focus on performance

21. Given the importance of meeting the demands and expectations of the people, performance-driven efforts have been undertaken to improve the quality of the service delivery system and instil accountability. For example, a Government transformation

programme was established to deliver "big, fast results" countrywide. The programme is based on a commitment to "people first, performance now" under the "1Malaysia" concept[7] and comprises seven national key results areas, namely, reducing crime, fighting corruption, assuring quality education, raising the living standards of low-income households, improving urban public transport, improving rural development, and addressing the rising cost of living. The seven key results areas were determined on the basis of stakeholder priorities, identified through various engagement mechanisms such as surveys and public dialogues.

22. In addition, a new results paradigm was introduced in the form of performance indicators. The use of indicators has helped to focus government efforts on impact rather than inputs, on outcomes rather than outputs, and on ensuring that the public service delivers value for money. In accordance with the practice of achieving transformation through performance-based leadership, ministers and senior civil servants are held accountable for delivery priorities in key results areas and for the achievement of ministerial performance targets. The use of key performance indicators in the public sector has helped focus leadership attention on public service priorities that resonate with citizens and reflect development priorities critical to the economy.

23. Alongside development planning methodologies, outcome-based budgeting has been employed with a view to allocating resources in accordance with national priorities and delivering stipulated outcomes. Outcome-based budgeting, integrated in the five-year development plans, has substantially improved planning, budgeting, implementation, monitoring and evaluation of projects at the national and subnational levels. Project monitoring has been further strengthened with the introduction of an electronic system used to track expenditure performance and other dimensions of progress on implementation.

24. To leverage existing initiatives and create new opportunities, a "national blue ocean strategy" was introduced in 2009 with the aim of breaking down silos among government agencies and thereby inspiring creative ideas for providing timely services to the public at lower cost and with greater impact. The strategy brings together all levels of government and the private sector on a voluntary basis. By way of illustration, the "Jiwa Murni" project, one of over 100 key initiatives under the strategy, involves the military in the construction of basic infrastructure, such as roads and bridges, in remote areas.

Leaders driving implementation

25. Government leaders have been directly involved in overseeing the implementation of key projects through high-level project execution committees. This approach has proven successful for completing projects on time and within budget. Government leaders frequently visit project sites to monitor implementation and resolve any coordination issues that may arise in an expeditious fashion. It is also thought that the hands-on involvement of leaders in project implementation has helped create a sense of urgency when needed.

26. For instance, the Prime Minister chaired the high-level committee for the implementation of the mass rapid transit project in Kuala Lumpur, while vertical and horizontal integration were ensured through an inter-agency collaboration mechanism

[7] Malaysia, Prime Minister's Department, Performance Management and Delivery Unit, "Government Transformation Programme: The Roadmap 2.0" (Putrajaya, 2015). Available from http://gtp.pemandu.gov.my/gtp/upload/GTP2_ENG.pdf.

chaired by the secretary to the Cabinet. As a result of this high-level engagement, the project was completed ahead of schedule and at a cost saving of approximately $500 million, and now benefits some 120,000 daily users while appreciably reducing traffic congestion in the city centre.

B. Citizen centricity in public service delivery

Enhanced speed, transparency and quality of services

27. Balancing demands from urban and rural populations in Malaysia is becoming more complex owing to a significant increase in the number of young people, easy access to information, geographical challenges and rural-urban migration. Nevertheless, the Government has introduced various initiatives towards humanizing public service delivery. These initiatives have resulted in enhanced speed and quality of service delivery and greater access to public services, and have reaped the benefits of the whole-of-government and whole-of-society approaches. Among other tools, e-government and the use of information and communications technology (ICT) in the public sector have enabled more efficient service delivery and increased economic gains.

28. Modernization of business regulation has been another priority for the Government. Since 2007, this has been accomplished through the re-engineering of regulatory frameworks. A special task force to facilitate business was introduced to reduce bureaucracy and improve service delivery, including by engaging public and private sector stakeholders.

29. A notable initiative in this area is the business licensing electronic support system, a one-stop online portal designed to collect information and allow for simultaneous application for licences, approvals and permits for starting and operating a business. Another notable initiative is the one-stop centre set up at the local level to streamline and expedite approvals of development proposals, such as building plans, and the issuance of certificates of completion and compliance. Other reforms have led to reduced processing times for employment visas and the issuance of identity cards, passports and driving licences by the responsible departments, typically to within one hour.

Improved access to public services

30. In the past, government departments and administration offices in the major cities tended to be physically dispersed, requiring the public to travel to each individual department for needed services. Now, having applied the national blue ocean strategy principle of low-cost, high-impact and rapid execution, front-line services are often co-located for operational integration. Twenty-one urban transformation centres have been established in previously underutilized government buildings in major cities, offering a multitude of public services as well as access to recreational, banking and shopping facilities seven days a week.

31. The counterpart of the urban transformation centre in rural areas is the rural transformation centre. Like the urban transformation centres, rural transformation centres offer key government front-line services, business advisory services and programmes to enhance entrepreneurship skills. The services provided vary depending on the location and local demand. In selected urban and rural transformation centres, the public has access to digital entrepreneurship programmes

such as "eRezeki", which aims to increase income levels and create more digitally-based job opportunities in local communities.

32. People in remote areas are supported by mobile community transformation centres, which are essentially rural transformation centres on wheels. Some 392 geographic locations have been covered, with some 150 services provided to 2.5 million visitors since the programme was introduced in 2013.

33. In addition, the MyGovernment Portal and 1Malaysia One Call Centre initiatives were launched as a single point of contact. The MyGovernment Portal is a single gateway to online government services, providing information and services to the people, while the call centre is a single point of contact with an easy-to-remember number to respond to public enquiries, complaints, suggestions and comments of all kinds. It provides a seamless approach to customer service, offers low call rates for the public and enables cost savings through a centralized communication system.

34. The Government continuously tries new ways to bring public services to the people. In urban areas, for example, innovative models aim to locate services in city centres or highly populated districts. In rural and remote areas, innovations may entail providing mobile solutions. In addition, ICT and e-government are used to provide alternative public service access points.

Provision of basic needs

35. The Government has focused on enhancing inclusiveness and providing equitable opportunities for the people of Malaysia. Strategies have been designed to increase the income of low earners to improve their quality of life and well-being. Provisions for basic infrastructure and facilities were intensified, especially with regard to access to education, health care and housing.

36. The Government has also prioritized access to education to improve social mobility and well-being. Since the Government did not have the financial and human capital resources to build high-quality schools in all rural areas at the same time, it took the pragmatic approach of introducing boarding schools to provide better learning facilities. This enabled access to high-quality public education for those from rural areas and low-income households.

37. Access to health care has also been continuously enhanced to improve well-being. Hospitals and clinics have been constructed nationwide, and different approaches to reach out to those in rural and remote areas have been implemented. These include the "Flying Doctor Service" and "1Malaysia Mobile Clinic", which provide key services such as medical care for mothers and children, outpatient services, preventive medicine to combat infectious diseases and referral to nearby public clinics and hospitals.

38. The Government is committed to providing affordable housing for different income levels. For low-income households in rural areas, housing with basic amenities is provided through the construction of integrated settlements under the national housing assistance programme. For the urban poor, the people's housing programme was commissioned. For middle-income households, houses were built and sold at below-market prices, with a rent-to-own option provided. Similarly, affordable homes in selected locations are made available for low- and medium-income civil servants through the 1Malaysia public servants housing scheme involving collaboration between the Government and private property developers. Housing policies emphasize quality and maintenance. In addition, existing low-cost

flats and houses have been refurbished as part of a holistic approach to improve the living conditions of communities.

Whole-of-government approach

39. The whole-of-government approach in Malaysia entails inter-agency collaboration and cooperation using ICT to address cross-cutting issues and in support of a "no wrong door" policy adopted with the aim of allowing the public to deal with government agencies in a fast, simple and transparent manner through a variety of service delivery channels.

40. Since 2011, improvements have been made in streamlining regulatory processes and facilitating business licensing. As of 2017, 77 per cent of government services were offered online and 98 per cent of government websites and portals were rated "three stars" or above (out of five) on the basis of a comprehensive government assessment, while the number of steps needed for approval of construction permits stands at 15, down from 37.

41. A centralized database system known as "e-Kasih" has been developed to assist the Government in planning, implementing and monitoring poverty eradication programmes at the national level. Establishing a central databank meant that all agencies and other related parties involved in poverty eradication programmes at the federal and state levels could access the databank and enter information concerning the kind of assistance provided along with the full profile of recipients of assistance. Prior to the establishment of the system, different sets of unverified data were either mismatched or redundant. The initiative has led to the elimination of overlapping of government assistance programmes and a consequent improvement in the use of government resources.

42. In addition, an open data platform comprises 2,458 data sets from various government agencies, and initiatives are under way to leverage big data analytics.

C. Collaborative and participatory governance

43. Public participation is important to the success of well-planned policies. In recent years, the level of people's awareness has increased. They want to be involved in setting the direction of development. To that end, the Government has provided various platforms to engage and consult different segments of society in policymaking and policy development.

44. Collaboration with different stakeholders, such as the private sector and civil society, in the development process and service delivery has been always important. The Government realized that innovative and participative mechanisms should be introduced continuously to optimize the use of resources, leverage ICT and reduce costs while improving service delivery.

45. One of the approaches undertaken has been to promote public-private partnerships in building public infrastructure and community facilities and providing related services. Collaborative partnerships between the Government and the private sector provide an impetus for continued economic development. The role of government vis-à-vis the private sector has evolved. Initially, the Government focused on its regulatory role, whereby the private sector would sometimes be viewed with distrust as potential lawbreakers. With a view to accelerating economic growth, the Government shifted its posture to that of a facilitator of economic activity and investment by focusing on improving the ease of doing business. Today, recognizing

the challenges of the future, the Government is committed to acting as a partner with the private sector and jointly advancing the economic, social and environmental dimensions of the national development agenda.

Evolving role of government in the provision of public services

46. During the second decade of Malaysia's independence, the country embarked on an ambitious programme of privatization with the aim of transforming the Government's role from sole provider of public services to service facilitator, reducing public expenditure and improving service quality. The privatization policies introduced in the 1980s and 1990s, as well as the establishment of a special unit within the Prime Minister's Department in 2009, reinforced the pro-private sector stance of the Government. Strong policies and dedicated implementation mechanisms have enabled the Government to withdraw itself from activities which traditionally used to be in the domain of the public sector.

47. Among the major public-private partnership projects are the North-South highway, the Stormwater Management and Road Tunnel, Kuala Lumpur International Airport, and the government administrative centre in the Federal Territory of Putrajaya, which led to the creation of a well-planned and integrated administrative township with iconic buildings with tourism appeal. Those projects have spurred economic growth, created new areas of development and improved accessibility and transport. Other more recent public-private partnership infrastructure includes the pan-Borneo highway and the Kuala Lumpur-Singapore high-speed rail project. As of 2016, 815 public-private partnerships had been implemented. Overall, the Government has saved approximately $55 billion in capital expenditures and operating costs while realizing $1.6 billion from sales of government equity and assets.

Public-private partnerships and openness to private sector innovation

48. The implementation of public-private partnerships has opened up important opportunities for the private sector as a result of increased demand for innovation that encouraged the private sector to develop products that both are of benefit to the country and have large commercial potential. These partnerships, characterized by openness and innovation, have produced positive results in delivering infrastructure projects.

49. Some infrastructure projects, especially highways and toll bridges, have been built using the build-operate-transfer method whereby the private sector is allowed to collect usage charges in return for building and operating the concession over a period of 30 to 50 years. Others, as in the case of office buildings, involve a build-lease-transfer method whereby the return to the private sector is in the form of lease rentals for a 25-year concession period. In the education sector, public university campuses have been built using a combination of the two approaches through a build-lease-maintain-transfer method with a 20-year concession period.

50. The country's approach to public-private partnerships may be seen as evidence of a willingness to try different business models that put community interests first. In addition, the use of such partnerships has resulted in improved service delivery because the private sector in Malaysia operates in a competitive environment with incentives and rewards for meeting customer needs.

Participatory governance

51. Stakeholder engagement and public participation are widely promoted in policy formulation and project design. An important example pertains to the annual budget process, which involves consultative meetings as well as crowdsourcing exercises through online channels. The process provides mechanisms for the general public, private sector and civil society to help identify issues and give their views on possible measures to address them. These public consultation initiatives reflect a bottom-up approach that has helped to democratize the budget process. For example, the 2018 budget contains provisions for the establishment of a specialized hospital for children, the continuation of scholarships for masters and PhD programmes, and the promotion of "end-to-end service" in medical tourism, the ideas for which were gathered through an interactive website.[8]

52. The Government has also initiated programmes to leverage the potential of social enterprise to promote a more equitable and sustainable society through the alternative service delivery mechanism in elderly care, environmental management, disaster response and rehabilitation from drug addiction. In recognition of the important role of civil society, large investments have been made in social enterprises in the form of grants in support of activities that aim to address social problems and environmental issues.

53. Another area in which public participation is required by regulation relates to local planning of major infrastructure projects. The impact that major transportation projects have on the public warrants a proactive approach in seeking comments and opinions. The mass rapid transit project is a notable example. A three-month public display received very positive feedback, with some 6,000 responses registering 91 per cent support for the project. Approximately 50 public engagement forums were held at the same time with business groups and other stakeholders.

54. Looking to the future, Malaysia is in the midst of drafting the National Transformation 2050 plan, which will set a vision for the country for the next 30 years. It is being developed through a large-scale bottom-up engagement process including dialogue sessions, surveys, expert consultations and roadshows. The plan brings a new approach to policymaking, with a detailed transformation plan reflecting the voice of the people. As of 2017, more than 2 million citizens have been engaged and some 100,000 views collected. These aspirations will jointly set the objectives for the nation's future, with clear targets to achieve the Sustainable Development Goals.

D. Alternative financing models

Cross-subsidization to finance rural service infrastructure

55. Financing infrastructure to improve the coverage and quality of public services, especially for rural communities, has always been a major challenge calling for innovative financial mechanisms, particularly in developing countries. Rural electrification and access to telecommunication have been subsidized through cross-subsidization, with the financial burden shared between the Government and the private sector. While the Government aims to limit costs borne by the private sector in order to attract investment, it also retains regulatory authority over prices, as well

[8] Malaysia, Ministry of Finance, 2018 Budget (Kuala Lumpur, Percetakan Nasional Malaysia Berhad, 2017). Available from http://www.treasury.gov.my/pdf/budget/speech/bs18.pdf.

as service standards and quality, to ensure that the public interest is adequately protected.

56. The rural electrification programme has entailed grid extension and the provision of stand-alone system generators comprising solar photovoltaic, mini-hydro and hybrid systems. In addition, cross-subsidization funds have been used to finance energy efficiency projects, research and development programmes and renewable energy initiatives. As a result of these efforts, the rural electrification rate now stands at 99 per cent of households in peninsular Malaysia, 95 per cent in the State of Sabah and 94 per cent in the State of Sarawak.

57. Similarly, a portion of the revenue from telecommunications operators is collected to fund universal service provision in telecommunications infrastructure coverage in rural and other underserved areas. In addition, to bridge the digital divide between rural and urban areas, a total of 13 universal service provision initiatives have been implemented since 2002, with 750 1Malaysia Internet centre sites created, 4,190 community Wi-Fi sites established and around 1,400 cellular towers deployed by 2016. Broadband penetration has reached 81.5 per cent of households nationally.

Social public-private partnership and the Social Outcome Fund

58. The Government has also been experimenting with innovations in social financing involving a shift from a top-down, Government-centric approach to the delivery of social services to a whole-of-society approach. This model for public-private partnerships was introduced to promote investment from the private sector, foundations and individuals in the delivery of social services. The approach is expected to strengthen social capital by encouraging broader participation and collaboration among governmental, non-governmental, private sector and civil society actors, including community leaders. Social financing optimizes the utilization of resources and promotes community-level volunteerism. By involving other actors, the overlapping of efforts of social intervention programmes run by the Government, the private sector and social purpose organizations can be reduced.

59. Two innovative types of funding for social intervention projects are now taking root, namely, the social public-private partnership and the Social Outcome Fund. The social public-private partnership is a matching grant shared equally by the Government and the private sector for social intervention projects such as youth skills development to enhance employability, the promotion of job opportunities for people with disabilities, and school retention programmes. Under the terms of the Fund, the private sector is compensated on the basis of improved social outcomes and social value created for poor and vulnerable segments of society.

60. The "user pays" principle in the provision of services is also employed. This is a pricing approach based on the idea that the most efficient allocation of resources occurs when consumers pay the full cost of services they use, in particular if they are high-income earners seeking premium services. Examples of such services include electric train services, toll roads, access to private wings in public teaching hospitals, and use of the Malaysia electronic government platform that offers home delivery for proof of vehicle ownership and insurance registration and work permits, among other services.

Inclusive and progressive subsidy mechanisms

61. Distribution of subsidies is another area of ongoing concern with a view to ensuring that target groups benefit as much as possible. In Malaysia, "BR1M" is a

form of cash transfer that aims to relieve the financial burdens on and increase the disposable income of the poor and vulnerable. The programme complements other policies and programmes that have been designed to enhance inclusivity and progressively transform subsidy initiatives. Before the programme was introduced, more than $4 billion was spent on fuel subsidies. Since the fuel subsidy has been replaced by BR1M, fuel is now priced at the market rate, which has removed related market distortions and reduced the environmental impact of energy consumption. The programme is targeted at poorer households and hence is more progressive and inclusive. In 2017, BR1M benefited 7 million recipients with an allocation of approximately $1.6 billion.

E. Competent and committed civil servants

Enhancing centres of excellence for the civil service

62. The public service has been instrumental in the socioeconomic development of the country. In order to respond to national development aspirations and with a view to improving relevance and impact, skills and functional specialization training are offered to all civil servants. The capacity and capability of the public service training centres have been enhanced to deliver better training to civil servants. Courses in many areas of public administration are offered to build relevant skills and stronger functional capabilities in line with the rapidly changing environment. Existing curricula are reviewed on a regular basis to improve training effectiveness for better professional and organizational outcomes.

63. The National Institute of Public Administration, for example, has been rebranded as a centre of excellence for public service training. It has been established at strategic locations nationwide to cater for various training needs. The Institute conducts assessment programmes designed to develop high-performing officers who are competent and ready to serve with full integrity. The Razak School of Government, which was founded to complement the Institute, also provides high-quality professional teaching and leadership development designed to encourage high-performing and knowledgeable public service leaders.

Public sector training for greater relevance

64. In recognition of the importance of continuous learning, training programmes involving collaboration with local and international academic centres and organizations are offered to all civil servants. Civil servants can use various training programmes, such as the Federal Training Award, short courses in selected countries and attachment programmes with international organizations and private companies, to strengthen their knowledge and expertise.

65. A "problem-solving talent management" tool was conceived to provide a platform for problem-solving with regard to public service delivery issues while supporting the assessment of talents in public service. The tool drives inter-agency coordination and encourages the Secretaries-General of each ministry to provide mentoring and coaching to selected young and up-and-coming civil servants.

Progressive career pathways

66. New career pathways have been introduced at the national level to inspire civil servants to strive to exceed expectations and reach new levels of achievement. Beyond generic career paths, which promote civil servants on the basis of

performance and vacancies, fast-track and subject matter expert programmes have been introduced. Under the fast-track approach, a rigorous assessment methodology is used to identify capable young civil servants who may go on to assume a higher level of responsibility with more complex responsibilities. In addition, fast-track candidates are groomed to fill strategic positions and have the opportunity of fast promotion. The subject matter expert programme identifies civil servants working in specialized areas that are crucial to the public service. The programme allows candidates to remain in their current positions while building expertise in the area of interest over the long term.

IV. Lessons from the Malaysian experience

Leaders championing transformation

67. Malaysia's experience demonstrates that in order to address new and emerging demands from the public, the ongoing evaluation and review of policy planning and service delivery mechanisms can be beneficial. A commitment from government leaders is crucial to ensure transformation programmes and initiatives are well implemented. It has been found to be helpful for leaders to consider motivating and promoting a culture of creativity and openness while sustaining the momentum of these changes. Inspiring others to work together and gear efforts to achieve the same goals based on a shared vision of the future is an important element, achieved in part by showing commitment to inclusive policies and being actively involved in implementation.

Humanizing the public service

68. Public service is the agent of transformation. With "people first, performance now" as a mantra of each civil servant, a culture of human centricity in public services can be renewed and emphasized. The people should be at the centre of planning, implementation, monitoring and evaluation of all public policy and civil servants should provide the best service to the people.

69. The delivery of public services should be geared towards speed, accuracy and amicability in meeting people's expectations. The blue ocean strategy has proven to be an effective tool to enhance the delivery of public services in Malaysia with careful adaptation to local conditions for successful implementation. Collaboration and team efforts from various agencies can produce better synergies for delivering quality services.

70. Enhancing and expanding the digitization of public services can be of enormous benefit to urban and rural communities, reducing costs and response times while improving people's experience. Digitization has also been found to be effective in increasing the level of transparency and integrity in government through better tracking and monitoring.

Smart collaboration and co-creation

71. The private sector has emerged as a reliable partner in Malaysia, complementing the public sector in providing facilities and services. Collaboration between the public and private sector has facilitated greater participation of the private sector to improve the delivery of infrastructure, facilities and public services. The partnership implies the transfer of responsibility to the private sector to finance and manage a package of capital investments and services. The responsibility involves, for example, the

construction, management, maintenance, refurbishment and replacement of public sector assets. Public-private partnerships have significantly contributed to rapid economic growth.

72. Stakeholder engagement and public participation should be a central feature of public policymaking. In this regard, it can be helpful to shift from a "consultative" to a "collaborative" approach to public service delivery, in which representatives of the public are actively involved in developing solutions and influencing decisions. With a shift towards participatory governance, a better understanding of people's preferences can emerge. Bureaucratic procedures that hamper the facilitation of service delivery should be simplified. Redundancies should be reduced, data should be fully leveraged for planning and development, and accountability should be increased.

Low cost, high impact, rapid execution

73. With more than 100 initiatives under the national blue ocean strategy, ranging from safety and security to economic and social development to the environment and public well-being, it has been demonstrated that over 90 ministries and agencies can break silos and work together to implement citizen-centric projects rapidly. This integrated and coherent approach also keeps costs down for the Government.

74. New approaches to financing basic utilities and social services are feasible and can free up resources for other uses. Most developing countries face constraints to financing infrastructure, including basic utilities, in rural areas. The cross-subsidization model could be considered to ensure better allocation and distribution of public resources.

75. Government operating expenditure may be reduced through social public-private partnerships and social financing models through the sharing of resources. In addition, social public-private partnerships can help reduce risks associated with social service programmes while leveraging the collective skill, enthusiasm and innovation capacity of civil society, with the Government as a facilitator. Moreover, the involvement of non-governmental organizations and special purpose organizations can increase flexibility in the implementation of social intervention programmes.

"Future-ready" civil service

76. Civil servants may need to be more creative and innovative to raise the expectations of people, address the challenges of the Sustainable Development Goals and become "future-ready". Systematic planning and effective implementation of training programmes are required to prepare a productive, efficient and high-quality civil service. Training content should provide exposure and upgrade knowledge and skills, take into consideration the latest technological advances and other global trends and meet the new and emerging demands. For this to happen, regular review and updating of the civil service training syllabus would be necessary.

77. Civil servants need to continuously enhance their knowledge in order to be able to deliver better services. Inculcating a lifelong learning culture among civil servants is helpful in this regard. This includes service training, which consists of both short-term training and postgraduate studies, as well as attachment programmes with private sector and international organizations.

78. Public service training institutes need to be re-energized to ensure that the delivery of training is aligned with the changing role of government and global trends.

These institutes need to engage top local and global teaching staff to develop and teach curricula tailored to current and future needs.

V. Conclusion

79. The experience of Malaysia underlines the importance of putting sustainable development at the heart of national development objectives and ensuring that no one is left behind. Each of the country's national development plans has included elements of sustainable economic growth, growth with equitable distribution to all segments of society, balanced development, access to basic infrastructure and utilities, access to education and health-care services, and mainstreaming of environmental conservation.

80. To lead the change and ensure transformation that is aligned with national aspirations, Malaysia has focused on reforming its public services and the economy. Innovative models of service delivery have been implemented to better cope with the fast-evolving nature of technology, business requirements and expectations of the people. Integrated solutions have been continuously developed to better meet the needs of the people and the business community. In addition, major efforts have been made to instil responsive, flexible and collaborative systems and new work cultures in the civil service.

81. This case has been presented in the hope that the Malaysian model can offer insights for other countries engaged in changing institutions and public administration at all levels to support the transformation of societies required by the 2030 Agenda, put people at the centre of public service delivery and promote sustainable and equitable economic growth. Sustainable development is a long-term prospect that takes place in a dynamic global context. Being ahead today does not mean being ahead tomorrow. Ongoing effort on a consistent basis is needed for a country to progress in its development journey.